

**RURAL WATER DISTRICT NO. 1  
JACKSON COUNTY, KANSAS**

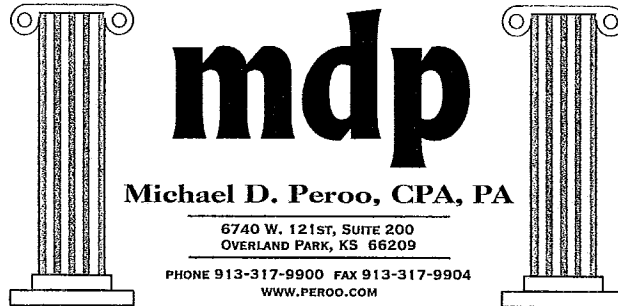
**Financial Statements for the  
Years Ended December 31, 2008 and 2007  
And Independent Auditors' Report**

# **RURAL WATER DISTRICT NO. 1 JACKSON COUNTY, KANSAS**

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors and Members  
Rural Water District No. 1  
Jackson County, Kansas

We were engaged to audit the accompanying statements of net assets of Rural Water District No. 1 of Jackson County, Kansas (District), as of December 31, 2008 and 2007 and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the District's management.

The District has elected to expense their inventory items and they have not maintained a perpetual listing of the inventory items to determine the impact on the financial statements. In addition, the District did not have a detail listing of the property, plant and equipment prior to 1999.

Since the District did not maintain a perpetual inventory to determine the value of the inventory and we were not able to satisfy ourselves as to the value of the inventory, and since we were not able to obtain details of the property, plant and equipment prior to 1999, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on these financial statements..

The supplemental schedules listed in the foregoing table of contents are not necessary for a fair presentation of the financial statements, but are presented as additional analytical data. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements because of the preceding paragraph; we do not express an opinion on these supplemental schedules.

The management's discussion and analysis is not a required part of the financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures to the information, which consisted principally of inquiries of management. However, our work was not sufficient to enable us to express and we do not express an opinion on the management's discussion and analysis.

The District's management has elected not to prepare the management's discussion and analysis which is not a required part of the financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America.

*Michael D. Peroo, CPA, PA*

January 12, 2009

**RURAL WATER DISTRICT NO. 1**  
**JACKSON COUNTY, KANSAS**

**STATEMENTS OF NET ASSETS**  
**DECEMBER 31, 2008 AND 2007**

	2008	2007
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and equivalents	\$ 44,903	\$ 41,525
Certificates of deposit	696,350	706,315
Accounts receivable	66,239	70,815
Interest receivable	7,577	10,374
Prepaid expenses	11,130	12,281
Total current assets	826,199	841,309
CERTIFICATES OF DEPOSIT	268,300	348,847
OTHER RECEIVABLE	32,038	37,951
PROPERTY AND EQUIPMENT, NET	3,952,317	4,014,880
LOAN RESERVE	217,044	217,044
LOAN COSTS, NET	18,991	20,348
	<u>\$ 5,314,889</u>	<u>\$ 5,480,380</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Current maturities on long-term debt	\$ 66,666	\$ 63,802
Accounts payable	26,814	28,052
Accrued interest	27,832	29,573
Total current liabilities	121,312	121,427
LONG-TERM DEBT, less current portion	1,317,828	1,384,494
<b>NET ASSETS:</b>		
Invested in capital assets, net of related debt	2,586,814	2,586,931
Restricted for debt service	217,044	217,044
Unrestricted	1,071,891	1,170,482
Total net assets	<u>3,875,749</u>	<u>3,974,458</u>
	<u>\$ 5,314,889</u>	<u>\$ 5,480,380</u>

**RURAL WATER DISTRICT NO. 1**  
**JACKSON COUNTY, KANSAS**

**STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**YEARS ENDED DECEMBER 31, 2008 AND 2007**

	2008	2007
WATER SALES AND OTHER FEES	\$ 671,955	\$ 709,750
COST OF WATER	<u>316,810</u>	<u>342,325</u>
Gross profit from water sales	<u>355,145</u>	<u>367,424</u>
OPERATING EXPENSES:		
Salaries, wages and benefits	129,241	114,907
General and other	167,547	109,014
Depreciation and amortization	<u>187,515</u>	<u>193,212</u>
	<u>484,303</u>	<u>417,132</u>
LOSS FROM OPERATIONS	<u>(129,158)</u>	<u>(49,708)</u>
NON-OPERATING REVENUES (EXPENSES):		
Interest income	50,286	65,192
Interest expense	<u>(59,690)</u>	<u>(66,345)</u>
	<u>(9,404)</u>	<u>(1,154)</u>
NET LOSS BEFORE CAPITAL CONTRIBUTIONS	(138,562)	(50,862)
BENEFIT UNITS AND LINE EXTENSIONS	<u>39,853</u>	<u>103,702</u>
CHANGE IN NET ASSETS	(98,709)	52,841
NET ASSETS, BEGINNING OF YEAR	<u>3,974,458</u>	<u>3,921,617</u>
NET ASSETS, END OF YEAR	<u>\$ 3,875,749</u>	<u>\$ 3,974,458</u>

**RURAL WATER DISTRICT NO. 1**  
**JACKSON COUNTY, KANSAS**

**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2008 AND 2007**

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from members for water	\$ 676,531	\$ 700,650
Cash payments to suppliers for goods and services	(484,445)	(451,446)
Cash payments to employees for services	(129,241)	(114,907)
Net cash provided by operating activities	62,845	134,297
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(123,595)	(144,315)
Proceeds from sale of benefit units and line extensions	45,765	107,703
Principal payments on long-term debt	(63,802)	(61,060)
Interest paid on long-term debt	(61,431)	(66,305)
Net cash used by capital and related financing activities	(203,063)	(163,978)
CASH FLOW FROM INVESTING ACTIVITIES:		
Change in certificates of deposit	90,513	(50,997)
Interest income	53,083	65,432
Net cash provided used by investing activities	143,596	14,436
NET CHANGE IN CASH	3,378	(15,245)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	41,525	56,771
CASH AND EQUIVALENTS, END OF YEAR	\$ 44,903	\$ 41,525
Reconciliation of operating income to net cash provided by operating activities:		
Operating loss	\$ (129,158)	\$ (49,708)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	187,515	193,212
Changes in:		
Accounts receivable	4,576	(9,100)
Prepaid expenses	1,151	
Accounts payable	(1,239)	3,051
Net cash provided by operating activities	\$ 62,845	\$ 134,297

# RURAL WATER DISTRICT NO. 1

## JACKSON COUNTY, KANSAS

### NOTES TO FINANCIAL STATEMENTS

#### YEARS ENDED DECEMBER 31, 2008 AND 2007

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District complies with generally accepted accounting principles (GAAP), except as described in the independent auditors' report. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

- a. Organization - The Rural Water District (District) was established in 1958 as a tax-exempt organization to acquire water and water rights and to build and acquire pipelines for the purpose of furnishing water to owners and occupants of land located within the district. Total benefit units at December 31, 2008 and 2007 were 1,035 and 1,029, respectively.
- b. GASB Statement No. 34 - In June 1999, GASB issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. This statement, known as the "Reporting Model" statement, affects the way the District prepares and presents financial information.

GASB Statement No. 34 established new requirements and a new reporting model for the annual financial reports of state and local governments, including special purpose governments. The statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions and includes:

***Management's Discussion and Analysis*** - GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the District's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to analysis the private sector provides in their annual reports.

***Statement of Net Assets or Balance Sheet*** - This statement is designated to display the financial position of the District. Districts report all capital assets, including infrastructure. The net assets of the District will be broken down into three categories 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

***Measurement Focus, Basis of Accounting, and Financial Statement Presentation*** - The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

- c. Basis of Accounting - In the Statement of Net Assets and Statement of Activities and Change in Net Assets, activities are presented using the accrual basis of accounting, except as described in the independent auditors' report. Under the accrual basis of accounting, revenues are recognized when

earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

- d. Cash Equivalents - For purposes of the statements of cash flows, the District considers all highly liquid debt investments having original maturities of three months or less to be cash equivalents.
- e. Accounts Receivable – The District reads meters on the 15<sup>th</sup> day of each month and mails invoices on the 20<sup>th</sup> of the month. Payments for water service are due the 15<sup>th</sup> day of the following month or will be subject to a late charge of 10%.
- f. Other Receivable – The City of Topeka is reimbursing the District for the connection charge paid by the District, based on the connection charges paid by the City of Topeka's customers connecting to the water line on 25<sup>th</sup> Street. Other receivable represents amount to be received from the City of Topeka.
- g. Inventories – The District does not maintain inventory for financial statement purposes; all supplies and parts are expensed when purchased.
- h. Property and Equipment - Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The cost of maintenance and repairs is charged to income as incurred; significant improvements are capitalized.
- i. Loan costs - Loan costs are the costs in connection with obtaining a loan from the Kansas Public Water Supply Loan Fund. These costs include the loan origination fee and the financial integrity assurance contract fee. The costs will be amortized over the life of the loan using a straight-line method.
- j. Net Assets – Net assets is made up of three classifications: invested in capital assets, restricted for debt service, and unrestricted. The classification of *invested in capital assets* is determined by the balance of property and equipment less related debt.
- k. Benefit Units - Benefit units are rights that entitle the holder to water service. Benefit units are presently sold for \$4,000 and are included in the statement of activities.
- l. Aid in Construction – Aid in Construction represents contributions from the members for line extensions and are included in the statement of activities.
- m. Significance of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.



## 2. CASH AND EQUIVALENTS

As of December 31, 2008 and 2007, the District's deposits were covered by federal depository insurance or by collateral held by the District's agent in the District's name. The following represents the cash and investments as of December 31, 2007 and 2006:

			2008	2007
Cash and cash equivalents:				
Denison State Bank - Operating Account			\$ 44,795	\$ 41,417
Cash on hand			<u>108</u>	<u>108</u>
			<u>\$ 44,903</u>	<u>\$ 41,525</u>
Certificates of deposit:				
	Maturity	Interest Rate		
Denison State Bank	Feb-08	4.96%	\$	\$ 39,175
Denison State Bank	Mar-09	4.28%	73,413	70,345
Denison State Bank	Jul-09	3.10%	96,723	89,957
Denison State Bank	Mar-09	3.50%	40,720	145,796
Denison State Bank	Jan-09	2.95%	80,595	103,403
Denison State Bank	Mar-09	2.77%	<u>93,043</u>	<u>52,062</u>
			<u>384,494</u>	<u>500,738</u>
Farmers State Bank	Jan-09	4.97%	172,090	149,779
Farmers State Bank	Jan-09	4.97%	139,765	107,860
Farmers State Bank	Feb-10	3.55%	268,300	163,774
Farmers State Bank			<u></u>	<u>133,011</u>
			<u>580,155</u>	<u>554,424</u>
Total certificates of deposit			964,650	1,055,163
Certificates of deposit, Noncurrent			<u>268,300</u>	<u>348,847</u>
Certificates of deposit, Current			<u>\$ 696,350</u>	<u>\$ 706,316</u>

The maturity dates and interest rates are related to the 2008 balances only. Under K.S.A. 12-1675, the state of Kansas limits the types of investments to; certificates of deposit, savings, money markets, U.S. Treasuries and the Pooled Investment Fund. All these investments are considered low risk. Cost approximates market value.

### 3. PROPERTY AND EQUIPMENT

	2008	2007
Land	\$ 22,507	\$ 22,507
Line improvements	5,431,682	5,308,087
Water connection fee	536,388	536,388
Vehicles	43,325	43,325
Building	100,952	100,952
Equipment	180,789	180,789
	<u>6,315,643</u>	<u>6,192,048</u>
Less accumulated depreciation	<u>2,363,326</u>	<u>2,177,168</u>
	<u>\$ 3,952,317</u>	<u>\$ 4,014,880</u>
Depreciation expense	<u>\$ 186,158</u>	<u>\$ 191,856</u>

In 2006, the District completed the replacement and construction of 177,500 linear feet of 4, 6, 8, and 12-inch water lines along with the construction of a 200,000-gallon elevated water storage tank. This was financed by a loan through the Kansas Public Water Supply Loan Fund program.

Roll forward of Property, Plant and Equipment:

<b>2008 Rollforward</b>				
	Beginning Balance	Additions	Transfers	Ending Balance
Land	\$ 22,507	\$	\$	\$ 22,507
Line improvements	5,308,087	123,595		5,431,682
Water connection fee	536,388			536,388
Vehicles	43,325			43,325
Equipment	180,789			180,789
Buildings	100,952			100,952
	6,192,048	\$ 123,595	\$	6,315,643
Accumulated depreciation	2,177,168	\$ 186,158	\$	2,363,326
	<u>\$ 4,014,880</u>			<u>\$ 3,952,317</u>
<b>2007 Rollforward</b>				
	Beginning Balance	Additions	Transfers	Ending Balance
Land	\$ 22,507		\$	\$ 22,507
Line improvements	5,165,971	142,116		5,308,087
Water connection fee	536,388			536,388
Vehicles	43,325			43,325
Equipment	178,589	2,200		180,789
Buildings	100,952			100,952
	6,047,732	\$ 144,316	\$	6,192,048
Accumulated depreciation	1,985,312	191,586		2,177,168
	<u>\$ 4,062,420</u>			<u>\$ 4,014,880</u>

Capitalization policies, depreciation methods, and estimated useful lives of capital assets are as follows:

	<u>Capitalization Policy</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Line improvements	5,000	Straight Line	40 years
Water connection fee	5,000	Straight Line	20 years
Vehicles	5,000	Straight Line	5 - 7 years
Equipment	5,000	Straight Line	3 - 10 years
Buildings	5,000	Straight Line	10 - 30 years

The District will use the above to determine capitalization but can capitalize items below the threshold at their discretion

#### 4. LOAN RESERVE FUND

As part of the Kansas Public Water Supply Loan Fund (KPWSLF), the District is required to maintain a loan reserve amount equal to 10% of the original principal amount. The District is funding the reserve fund with proceeds from the KPWSLF. The loan reserve fund is being held by the Kansas Development Finance Authority (KDFA) and is earning an interest rate of 4.44%. The interest balance as of December 31, 2008 and 2007 is \$2,718 and \$4,708, respectively and is included with interest receivable on the statement of net assets.

#### 5. LONG-TERM DEBT

In 2002, the District received a loan from the Kansas Public Water Supply Loan Fund (KPWSLF) up to \$4,132,085 (\$1,384,494 and \$1,448,296 outstanding at December 31, 2008 and 2007, respectively) bearing interest at 4.44%. Repayment on the loan began in November of 2003. Based on the outstanding balance, the District will make semi-annual principal and interest payments of \$63,703 over 20 years. Revenues of the District have been pledged as security.

As part of the loan, the District is required to maintain a debt service coverage ratio of 1.25, which will take effect at the conclusion of the project, and establish a loan reserve account in the amount of 10% of the unpaid principal (See Note 4). Interest expense in the amount of \$26,464 has been capitalized as part of the project (See Note 3).

Roll forward of long-term debt:

<b>2008 Rollforward</b>				
	Beginning Balance	Payments	Ending Balance	Current Portion
Loan Fund	\$ <u>1,448,296</u>	\$ <u>63,802</u>	\$ \$ <u>1,384,494</u>	\$ <u>66,666</u>

<b>2007 Rollforward</b>				
	Beginning Balance	Payments		
Loan Fund	\$ <u>1,509,357</u>	\$ <u>61,061</u>	\$ \$ <u>1,448,296</u>	\$ <u>63,802</u>

Maturities of the loan for years subsequent to December 31, 2008 are as follows:

	Principal	Interest	Total
2009	\$ 66,666	\$ 60,740	\$ 127,406
2010	69,660	57,746	127,406
2011	72,787	54,619	127,406
2012	76,054	51,352	127,406
2013	79,469	47,937	127,406
2014	83,036	44,370	127,406
2015	86,764	40,642	127,406
2016	90,659	36,747	127,406
2017	94,729	32,677	127,406
2018	98,982	28,424	127,406
2019	103,425	23,981	127,406
2020	108,068	19,338	127,406
2021	112,920	14,486	127,406
2022	117,989	9,417	127,406
2023	<u>123,287</u>	<u>4,119</u>	<u>127,406</u>
	1,384,494	\$ <u><u>526,597</u></u>	\$ <u><u>1,911,091</u></u>
Less current portion	<u>66,666</u>		
	<u><u>\$ 1,317,828</u></u>		

The debt service coverage for 2008 and 2007 is as follows:

	<b>2008</b>	<b>2007</b>
Loss before capital contributions	\$ (138,562)	\$ (50,862)
Add Back:		
Interest expense	59,690	66,345
Depreciation and amortization	187,515	193,212
Benefit units and line extensions	<u>39,853</u>	<u>103,702</u>
Available for debt service	\$ 148,496	\$ 312,397
Debt Service Payments	\$ <u>127,406</u>	\$ <u>127,406</u>
Debt Service Coverage Ratio	<u>1.17</u>	<u>2.45</u>

The debt service coverage ratio excluding benefit units and line extensions is .85 and 1.63, respectively.

#### 6. PENSION PLAN

The District's full-time employees participate in the Kansas Public Employees Retirement System ("System"), a multiple employer public employee retirement system. The payroll for employees covered by the System for 2008 and 2007 was \$56,795 and \$51,915, respectively. The District's total payroll for 2008 and 2007 was \$115,431 and \$104,281.

Covered employees are required by state statute to contribute 4% of their salary to the System. The District is required by statute to contribute the remaining amounts (4.93% for 2008 and 4.31% for 2007) Using the full funding method, which funds current costs each year and past service liability over a 40-year period. The contribution requirement for the years ended December 31, 2008 and 2007 was \$5,640, and \$4,834, respectively, which consisted of \$2,272 and \$2,077 from employees, respectively and \$2,799 and \$2,757 from the District, respectively.

#### 7. WATER CONTRACT

In 1998, the District entered into a 20-year agreement with the City of Topeka, Kansas (City) to purchase water. The agreement requires the City to sell and deliver water not to exceed 900 gallons per minute. In exchange for the sale of water, the District has paid to the City a main connection charge of \$536,388 (See Note 3).

In 2008 and 2007, the District purchased 93,050,000 and 102,214,410 gallons from the City, respectively at an average cost of \$3.46 and \$3.35 per 1,000 gallons, respectively.

#### 8. CONCENTRATION OF CREDIT RISK

The District is engaged in the sale of water to customers located in Jackson County, Kansas. The District grants credit to those customers and requires no collateral.

The District sold water to the City of Hoyt, Kansas and Rural Water District #3 of Jackson County, Kansas that accounted for 19% and 24% of the total gallons sold for 2008 and 2007, respectively.

9. COMPLIANCE WITH KANSAS STATUTES

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney and legal representatives of the water district. There were no apparent statutory violations during the years ended December 31, 2008 and 2007.

The District was not aware of any water quality violations in 2008 and 2007.

10. COMPENSATED ABSENCES

The District does not maintain or accrue for vacation or sick leave hours. The amount would be considered immaterial to the financial statements.

11. BENEFIT UNIT AND LINE EXTENSIONS

Benefit unit fees	\$ 32,000
Line extensions	<u>7,853</u>
	<u>\$ 39,853</u>

12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, and injuries to employees. The District manages these various risks of loss through insurance policies through Employers Mutual Casualty Company. See supplemental schedule for details of the various insurance policies.

13. OTHER CONTRACTS

On September 25, 2007, the District entered into an agreement with Microcomm to provide warranty services for the District's telemetry system. The agreement calls for an upfront payment of \$1,500, which covers any defective Micro-Comm manufactured equipment. The contracted labor rate for any service repairs is \$70/hr.

In 2008 the District entered into an agreement with Dale Traxel and Joe and Aleta Ballard (contractors) to read meters on a monthly basis. The District agrees to pay the contractor \$.85 per meter. The contract can be amended or terminated by either party upon giving the other party advance notice of 30 days.



On September 26, 2006, the District entered into an agreement with Ehrhart Excavating, LLC to provide maintenance services for the District. The contract period is from September 26, 2006 through January 31, 2010. Contract rates may be renegotiated January 1, 2008 and thereafter if necessary.

The District sells water to the City of Hoyt, Kansas. In 2008 and 2007, the District sold 14,745,600 and 15,788,800, respectively. The District charged the City a minimum of \$410 and \$4.51 per 1,000 gallons for 2008 and 2007.

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**RURAL WATER DISTRICT NO. 1  
JACKSON COUNTY, KANSAS**

**INSURANCE IN FORCE  
DECEMBER 31, 2008**

<b>Policy Type</b>	<b>Expiration Date</b>	<b>Company</b>	<b>Annual Premium</b>	<b>Amount of Coverage</b>	<b>Description</b>
General liability	8/24/2009	Employers Mutual Casualty Company (EMCC)	\$1,346	1,000,000 1,000,000 500,000 500,000 100,000 5,000	Aggregate limit Products/completed operations aggregate limit Personal and advertising injury limit Each occurrence limit Damage to premises rented Medical expense limit
Commercial property	8/24/2009	EMCC	5,926	1,312,729	Standpipe, underground pipe, building, related equipment and personal property
Linebacker Coverage	8/24/2009	EMCC	1,061	1,000,000 1,000,000	Each loss Aggregate limit
Workman's Comp.	8/24/2009	EMCC	2,505	500,000 500,000 500,000	Bodily injury by accident Bodily injury by policy limit Bodily injury by each employee
Employee Theft	8/24/2009	EMCC	330	100,000	Liability
Automobile	8/24/2009	EMCC	1,775	500,000 500,000 500,000	Liability Uninsured motorist Underinsured motorist
Inland Marine	8/24/2009	EMCC	782	34,500 7,000 10,560	Contractors' equipment Electronic data processing Miscellaneous equipment

**RURAL WATER DISTRICT NO. 1  
JACKSON COUNTY, KANSAS**

**SCHEDULE OF OPERATING EXPENSES  
YEARS ENDING DECEMBER 31, 2008 AND 2007**

	<b>2008</b>	<b>2007</b>
<b>SALARIES, WAGES AND BENEFITS:</b>		
Labor - office	\$ 60,609	52,745
Labor - maintenance	56,428	51,536
Payroll taxes	8,831	7,869
KPERS	<u>3,374</u>	<u>2,757</u>
	<u>129,242</u>	<u>114,907</u>
 <b>GENERAL AND OTHER:</b>		
Dues and subscriptions	720	800
Repairs and maintenance	73,006	35,598
Utilities	19,746	18,569
Insurance	16,977	14,237
Office expense	6,384	5,541
Truck expense	19,120	11,825
Professional fees	15,910	7,268
Other	4,539	6,015
Meter Reader	9,094	7,157
Telephone expense	<u>2,052</u>	<u>2,004</u>
	<u>167,547</u>	<u>109,014</u>
 <b>DEPRECIATION AND AMORTIZATION</b>	<u>187,515</u>	<u>193,212</u>
	<u><u>\$ 484,303</u></u>	<u><u>417,132</u></u>

**RURAL WATER DISTRICT NO. 1  
JACKSON COUNTY, KANSAS**

**SCHEDULES OF STATISTICAL INFORMATION  
YEARS ENDING DECEMBER 31, 2008 AND 2007**

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	<b>2008</b>	<b>2007</b>
Gallons sold	74,792,300	83,147,500
Gallons purchased	93,050,000	102,214,410
Water loss percentage	19.62%	18.65%
Number of benefit units	1,035	1,029
Average monthly gallons sold per benefit unit	6,022	6,734
Gallons sold to other districts and cities	17,473,000	21,033,300
Average monthly water sale per benefit unit	\$ 54.10	\$ 57.48
Average monthly costs and expenses per benefit unit	\$ 64.50	\$ 61.50